

THOUSAND CITY MERCHANTS GET TRADE SECRETS

Consuls-General of Many Countries Present at Association Luncheon.

PERMANENT BUSINESS, NOT BOOM, IS SOUGHT

Seventy a thousand merchants and manufacturers of New York yesterday gathered at addresses on the various phases of the commercial conquest of South America at a luncheon given at the Merchants Association. William C. Wood, the toastmaster, in introducing the twenty-six Latin American and other foreign consuls-general who were at the speakers' table said it was not the purpose of the Merchants Association to arouse a boom spirit over the expansion, but rather to disseminate practical information and to stir the government to helpful legislation.

The financial, practical and educational aspects involved in seeking South American trade were presented by W. S. Kies, John S. Fowler and Charles M. Pepper. Mr. Kies, who is at the head of the foreign bank department of the National City Bank said:

"London being the financial market of the world, and the English pound sterling being the accepted standard in international transactions, England has had a great advantage in exchange operations. The fact that there has been a ready discount market for South American bills in London at all times has also been to her advantage.

To Discount Foreign Bills.

"One provision of the Federal Reserve act permits national banks to discount foreign bills which are the result of actual commercial transactions, and also gives to banks the right to accept bills drawn against merchandise. A not dissimilar bill in the growth of London as a financial center has been the activity of the large English acceptance houses, London always presenting a ready market for discounting South American bills. It is not strange that the slight with which English banks have accepted method of settlement of obligations in international trade.

"The building up of a discount market which will solve the problem of long credits which has proved such a handicap in the doing of business with South America.

"Probably Latin American countries are the most difficult in which to obtain credit information. The Latin American is sensitive and with him credit is usually a point of honor.

"A point to be known as the Americans will be devoted to the upgrading of trade between the two countries. Trade bulletins and letters will be issued from time to time.

Drawbacks to Be Overcome.

"Present conditions are favorable for the ultimate commercial success of this country in South America, but you must not enter into this big trade movement with the idea of getting immediate large results. Argentina and Brazil have been through a long period of depression, and Brazil, owing to the failure of the negotiations for her hundred million dollar loan with English interests, is practically in financial straits.

"Some of the southern countries will have difficulty in marketing their products. Chile's nitrate, like cotton, presents a serious problem. Likewise the copper of Peru and the tin of Bolivia. But the ultimate prosperity of all these countries is not in doubt. Their natural resources are almost inexhaustible and they will have to be a source of supply for raw materials of all kinds."

John P. Fowler, second vice-president of W. B. Grace & Co., who have extensive investments in South America and steamship lines plying to many ports, was the next speaker.

"There is nothing mysterious about this export trade," he said, "but more care is required than in domestic sales and larger and longer responsibility. Overstating statements about South American trade have appeared in the press."

"Associations all South America offers us a billion dollars annually and that she is helpless to secure supplies unless from the United States I would not dare to make. All European export to South America is by no means shut off. South America has not been neglected by us as a market."

"There is not even a small town there which is not constantly harassed for orders by American exporters. There is much theory in what is preached to us and little of common sense.

"Our exporting merchants are really very liberal in dealing with the natives, much more so than our home merchants would concede to domestic trade. Our trade with South America is relatively well served with shipping facilities as are the principal ports of the continent. The wholesale complaint against the American manufacturer for lack of export backing is undeserved."

Charles M. Pepper, former foreign trade adviser to the United States State Department, emphasized the value of a close study of economic and commercial conditions as a preliminary to the conquest of trade in any foreign country, particularly in South America.

"The State Department," he said, "has done a great deal of investigation of this sort through its special agents, and its information is now being supplied to the principal banks and special reports obtained by experts."

"I am a great believer in permanent exhibits of American products to supplement trade through the export commission. American manufacturers should combine in such exhibits and should pool their profits. This would be the most profitable cooperation of our business men in capturing foreign trade. Selling organizations have should be formed. We must reach some agreement as to time of credits to be allowed. We must compromise on credit."

Mr. Pepper said that while the South American market was a great one and would be even greater after the war, yet another great prospective market existed in Russia.

The consuls-general who attended and made reply to questions put to them in the luncheon were: M. A. B. de la Haza, Argentina; Adolfo Balliva, Bolivia; Ricardo Sanchez, Chile; Francisco Gonzalez, Colombia; Manuel Gonzalez, Costa Rica; George Beech, Denmark; Juan M. Lazo, Ecuador; Dr. Ramon Benavente, Guatemala; R. Camillo Diaz, Honduras; Edward G. Merrill, Liberia; Francisco de Paula, Mexico; Louis H. Junod, Switzerland; A. Van der Meer, Netherlands; E. Benes, El Salvador; Diaz, Nicaragua; Arturo Gonzalez, Panama; William Wallace White, Paraguay; H. J. Topyan, Peru; Eduardo Higginson, Peru; Carlos Bageel de Sampaio, Portugal; Jose A. Lora Moran, Salvador; Michael Pupin, Serbia; Loring Townsend Hilditch, Spain; A. M. Shah-Mir Effendi, (Circassian), Turkey; Delal Bey, Turkey; Mario L. Gil, Uruguay; and Pedro R. Rino, Venezuela.

Legislators Dealing Blow to Business, Bankers Told

President Reynolds Attacks Depressing Influence of Congressional Interference and Bureaucratic Restrictions—Time to Revolt, He Says.

GLASS PRAISES THE FEDERAL RESERVE SYSTEM

RICHMOND, Va., Oct. 14.—Welcome to Virginia by Gov. Henry C. Stuart and to Richmond by Mayor George Altmire and Col. John B. Purcell, president of the Richmond Clearing House Association, delegates to the American Bankers Association convention assembled in Jefferson Auditorium at 12 o'clock today and heard addresses by Congressman Carter Glass of Virginia, Charles S. Hamlin, governor of the Federal Reserve Board, and Martin W. Littleton of New York and President Arthur Reynolds of the association.

Mr. Reynolds criticized the Federal Reserve law and attacked the legislators in general for interference in the legitimate business of the country, which, he said, has resulted in discontent and has influenced unfavorably public opinion. Mr. Reynolds said in part:

"The Federal Reserve banks now in process of formation have enlisted the support of all the national banks of the country by reason of the provisions of the act which compelled them to subscribe to the stock of Federal banks or forfeit their charters, and notwithstanding the differences which have existed the national bankers have submitted their opinions and are extending the system a cordial support.

Not Complete Yet.

"A limited number of banks and trust companies organized under State laws have also come into the system, but not to the extent necessary to warrant the anticipation of that complete unification of our entire banking system so long desired.

"All those banks who have joined are giving the system their hearty support. But only the freedom of management by the directors and officers of the various reserve banks and of the Federal Reserve Board can insure the success of the experiment.

"The principal object in view by the organizers of the plan was to add stability to our banking by devising a system that would alleviate the periodical stringencies to which business in this country was subjected and to prevent those disastrous panics which followed any operation under the system which by an immediate return to the channels of commerce by the rediscounting plan, to prevent the contraction incident to the withdrawal of a large sum from business, would to that extent defeat the ability of the Federal Reserve banks to relieve any stringency. It seems to me that if these banks are to be always in a condition to ward off disaster that we will at the beginning be compelled to submit ourselves to some contraction. To hold both positions is illogical, if not impossible.

Safety First for Bankers.

"The rule of the banker must be 'safety first,' regardless of contraction. He owes this duty to his depositors and stockholders.

"If we had any assurance that the Federal Reserve banks would hold large deposits aside from those which the Government may place with them, there might be a workable margin, but as both his capitalization and deposits of the reserve are for the use of the Government, the banks are compelled to submit themselves to some contraction. To hold both positions is illogical, if not impossible.

"One of the deficiencies of our present national banking system is our inability to establish or maintain a foreign exchange market. The new system opens the way to supply this long felt want. While a single central institution could more easily control the exportation of gold by the operation of such a market, it is probable that the Federal Reserve Board may so coordinate the business of the twelve reserve banks as to produce the desired result.

"One feature of the act creating the Federal Reserve banks, to which little if any reference has been made, is found in that clause of the law which leaves to the discretion of the Secretary of the Treasury the continuance or discontinuance of the United States independent treasury system.

"It is a just criticism of the measure to say that it does not take the Govern-

WILSON TO VETO PLAN FOR U. S. TO AID COTTON MEN

Continued from First Page.

establishments, agricultural resources, transportation companies and financial interests, and which will undoubtedly receive universal support throughout the nation.

"The task put upon the Federal Reserve Board, while onerous, was readily accepted by Secretary McAdoo, who recognized the gravity of the situation and the necessity for action, as well as the practicability of the plan to meet the situation, and it is understood that through his guiding influence the cotton growers of the South at a very moderate rate of interest, when it is considered that the loan is made to run a year if the borrower so desires and the borrower can pay the lender at any time he may market his cotton, or otherwise liquidate his obligations.

"The committee had telegraphic advices from Arkansas, Louisiana, Mississippi, South Carolina, Oklahoma, Texas and Tennessee, that each of these States would unquestionably contribute their proportionate part of the \$50,000,000 which was allotted to the South as its share of the fund. It is expected that all of the eastern, southern and western parts of the country will be asked to contribute now that New York has spoken, particularly so as the management of the fund will be placed in charge of the Federal Reserve Board at Washington.

"The President, Secretary McAdoo and the Federal Reserve Board having already approved the plan of raising the \$50,000,000 fund to loan on the surplus cotton crop, it is generally understood that all departments of the Government will be put behind the surplus cotton crop to develop its sale and export and also to rapidly increase the production to the New England and Southern cotton manufacturers of the nation."

\$10,000,000 Added to Cotton Pool.

ATLANTA, Oct. 14.—It was decided by the Georgia Bankers Association at a meeting here today to subscribe \$10,000,000 to the proposed \$50,000,000 pool to retire 5,000,000 bales of cotton from the market.

ment out of the banking business, and that it confers upon one of our Government officials an extraordinary power and discretion, unwarranted by the spirit of our institutions and repugnant to republican principles.

Lawmakers Criticized.

"It would seem that our lawmakers had failed to recognize the momentous change which has been wrought by the great industrial expansion which has taken place throughout the entire world and viewing it only from the standpoint of our domestic condition are seeking to turn back the tide of progress by repressing the organizations which the evolution of the new condition required for its continuous operation and development and which have involuntarily sprung into existence all over the country.

"The political factor in the situation is the stimulus block to progress in the right direction. Public opinion when properly informed will not tolerate the continuance of the present programme when it realizes that such a course will handicap the country in its competition with other nations whose policies are the reverse of ours. In order to establish a theoretical 'new freedom' it does not seem to me that we should be compelled to sacrifice our business progress, surrender our rights as business men and be forced to delegate the control of our own affairs into the hands of Government appointees.

"The purpose at the beginning was ostensibly to curb some large corporations and combinations which were said to be exerting their power in a vicious manner, now the effect seems to have spread and included all business.

"These attacks have already shown their results: happiness has been succeeded by discontent; apprehension rules where confidence and optimism formerly predominated.

"The time has come when we must take a more active part in the practical politics of the day, for the banker and business man in the past have been in our Government to which they are entitled must make more effective use of their citizenship in the future.

"Business men have too long accepted legislation without protest or criticism through fear of more radical measures in punishment of their efforts. The time has arrived for positive action by the business man in the future. Upon the course which you as individuals pursue will depend the results which may be secured.

"The business men of the country are anxious to see the end of the depressing influence of Congressional interference and bureaucratic restrictions; they regard present methods rather as tyrannical than liberal and no progress toward permanent prosperity is possible under a continuation in the present course."

Penalty Reserve System.

Congressman Glass declared that the passage of the new banking law was a legislative mistake. After explaining the earnings of the reserve banks Mr. Glass said:

"I predict that in a very few years under this system your national greenbacks will be worth the amount of \$348,000,000, with only \$150,000,000 of gold reserve, will have behind them gold dollar for dollar and there will be not one semblance of fiatism in our national currency."

Secretary Hamlin outlined the operations of the Federal Reserve banking act and said:

"The United States Treasury is in sound financial condition, it possesses ample funds of gold and ample power to increase the gold reserve should it ever be necessary.

"One can state with confidence that the Federal Reserve banks, as organized, will increase the lending power of the national and Federal reserve banks by some hundreds of millions of dollars. An amendment is now pending in Congress under which the Federal Reserve Board may so coordinate the business of the twelve reserve banks as to produce the desired result.

"Mr. Littleton spoke on 'The Will of the People.' He declared the people of the United States lived under the greatest Constitution in the world and that it would ever be upheld by the course of this country.

J. W. Hoopes, treasurer, presented his report on the progress of the association.

HOLDS MRS. NORDEN AND BOETZEL GUILTY

Jury Believes Husband's Charges Against Lawyer and Politician.

A jury before Supreme Court Justice Pitlake returned a verdict yesterday finding Mrs. Nord and Eric L. Boetzel, Mortimer Norden, an electrical contractor, guilty of misconduct with Eric L. Boetzel, a former Assistant District Attorney, and Deputy Attorney-General and manager of the campaign of the Mitchell League in the fall of 1913.

Mrs. Norden brought a divorce suit against her husband, accusing him of misconduct with a number of women, one of whom was a Mrs. Ingh, concerning whom private detectives made affidavits when Mrs. Norden asked for alimony. Norden denied his wife's charges and blamed Boetzel for instigating the suit while posing as a friend of his. He filed a counter claim for divorce, naming Boetzel and sued him for \$50,000 for alienation of the affections of Mrs. Norden.

When the case came on for trial yesterday Mrs. Norden and her attorney did not appear, and the evidence against Mrs. Norden was submitted to the jury without objection. Charges that she was intimate with Boetzel at Asbury Park in the summer of 1913, where the Nordens and Boetzel occupied adjoining cottages and at the Hotel McAlpin on October 30 last were withdrawn, and proof presented only as to misconduct with the lawyer in the Norden home at 46 Fort Washington avenue between December 12, 1913, and January 10, 1914.

Morris Cukor, counsel for Mrs. Norden, said last night that she was compelled to abandon her case because she found she could not rely on the assistance of Boetzel, who could not be found when Lawyer Cukor tried to consult him.

HAYTIAN FEDERALS DEFEATED.

President in Retreat Before Attack of Rebels.

CAPE HAYTIAN, Hayti, Oct. 14.—The Haytian rebels have defeated the Government troops near Limonade on the north coast.

The President and his forces are retreating toward Grand Riviere, and other Government forces are returning to Cape Haytian.

CURB TRADES AGAIN, FOR A FEW MINUTES

Then Stock Exchange Rules That Dealing Must Be Over the Counter.

PRICES ARE ENCOURAGING

Curb trading started yesterday morning for the first time since July 30. It lasted so far as any volume of trade done on the open air market of Broad street was concerned, for about fifteen minutes. After that length of time of quite active business, with much of merry wiggling of prices, the curb men in the street and the telephone boys in the windows of adjoining buildings, the Stock Exchange closed it all. Non-public or "over the counter" trading took place.

It seems that the committee which rules the curb stocks, namely the committee on unlisted stocks, had not intended when it ruled that unlisted stocks under \$10 last selling price could be traded in without reporting transactions that public trading on the street was to be permitted. Its purpose was to confine such trading to over the counter transactions, with no published quotations.

A number of curb men did not take the ruling that way. At 10 o'clock yesterday they started trading in unlisted stocks, and the curb men, namely the committee on unlisted stocks, had not intended when it ruled that unlisted stocks under \$10 last selling price could be traded in without reporting transactions that public trading on the street was to be permitted. Its purpose was to confine such trading to over the counter transactions, with no published quotations.

The trading suddenly quieted and gradually fell off. The explanation was soon forthcoming. It was announced that the Stock Exchange special committee of five had just ruled that all Stock Exchange members must report all transactions in unlisted stocks. Public trading on the curb, as most of the curb transactions of the short term market on the street had been through Stock Exchange houses, trading immediately declined.

It was kept up in dealer's fashion by a few independent curb brokers, but practically ceased by noon. Subsequently, trading in the unlisted stocks of last selling price less than \$10 went on over the counter or by telephone. The curb men on unlisted stocks permitted Stock Exchange houses that desired to trade in the stocks on which the ban was lifted to do so without reporting individual transactions. Public trading on the curb is therefore practically finished for the time being.

The prices made on the curb while the trading lasted in the unlisted stocks of last selling price less than \$10 were generally favorable. It was reported that the price of a sale yesterday was 2 points higher than the closing. There were several other important stocks quoted slightly higher than the closing.

There was criticism by some curb men against the practice of the Stock Exchange, which in the past has led to a number of abuses in which customers have suffered.

FRANK'S APPEAL FOR NEW TRIAL REFUSED

Only Recourse of Georgian Now Is Motion to Set Aside Verdict.

RAILROAD MEN OPTIMISTIC.

Pleased at Suspension of Tariffs by Interstate Board.

Railroad men were inclined last night to take an optimistic view of the ruling of the Interstate Commerce Commission suspending from October 20 to April 15 the tariffs already filed with the commission relative to making charges for special sectionals.

The head of one of the large railroads in the East said that he believed that it was an indication that the commission felt that there might be another way of raising the revenue needed by the railroads than by these special charges and that it might be an indication that the roads were to get the full 5 per cent. increase in freight rates.

The board of directors of the Federal Reserve Bank of New York will meet tomorrow to designate what directors shall serve for terms of one, two and three years as provided in the Federal Reserve act. The entire board will also go to Washington on Tuesday to attend a meeting of the directors of all the various Federal Reserve banks and the Federal Reserve Board.

48 CENTS FREE

Reduced from \$2.00

FREE

who brings this advertisement to a

Society Seal Ring, suitable for all

occasions. The first year's wear is

offered in New York. A genuine

diamond watch chain, with chain,

every link hand soldered, with

clasp, and guaranteed to wear like

solid gold for years. It is a

valuable gift to yourself or to

any one. Ask any jeweler, or

send for our circular, which will

show you the full details. Send

your order to-day. Send coin

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SEEK HILL'S PART IN NEW HAVEN DEALS

Late Governor's Attorney Asked About \$1,500,000 Note in Strong Box.

SURPRISED AT THE FIND

Since the discovery of the alleged \$1,500,000 New England Securities Company note in the strongbox of the late Gov. John F. Hill of Maine, the Federal Grand Jury's investigation into the building up of the New Haven system has apparently taken a new tack. The first witness called before the investigating body yesterday was Norman L. Bassett, one of the attorneys for the Hill estate.

Mr. Bassett is a leader of the bar of Kennebec county, Maine, and personal counsel for Mrs. Hill. Although he professed surprise as to the discovery of the note, it is believed that he is wanted to tell the Grand Jury what connections, if any, the late Gov. Hill had with the acquisition by the New Haven of the Metropolitan Steamship Company and other water transportation facilities.

Definite information concerning the note in Gov. Hill's strongbox is believed to be sought by the jury and the Government attorneys on the theory that the note played an important part in the purchase of some of the water transportation companies. It was made out by the New England Securities Company to the Billard Company, through which the New Haven controlled the former stock in the Eastern Steamship Corporation.

The latter corporation in turn owns the Metropolitan Steamship Company, operating between New York and Boston; the Maine Steamship Company, operating between New York and Portland, and the Eastern Steamship Company, which was a consolidation of all the lines between Boston and points on the Maine coast.

Charles W. Morse, former president of the Metropolitan Steamship Company, has said that he knew of the existence of the \$1,500,000 note. He thought that it had been deposited for safekeeping with Gov. Hill.

The note was secured by \$500 shares of the stock of the Eastern Securities Company, the holding company for the Eastern Steamship Corporation. This and other facts have led to the belief that the note was either used in the purchase by the New Haven through the Billard Company of additional shares of stock in the Eastern Steamship Corporation, or that it covered an advance of money to the New England Securities Company, which, the Government contends, was formed for the purpose of facilitating the purchase of the water transportation facilities.

The object of the Government in calling representatives of the Hill estate before the Grand Jury was understood to be to shed some light on this particular point as well as the late Gov. Hill's part in the transactions.

The second witness called was Benjamin G. Ward, a lawyer, who also comes from Augusta, Me.

PULLMAN PROFITS GROW.
Net Profit Without Depreciation Reaches 17.82 Per Cent.

The year ended July 31, 1914, was a profitable one for the Pullman Company, according to its annual report just issued. The net income after the payment of expenses and before charging out for depreciation was \$21,397,463, which was equal to 17.82 per cent. earned on the \$120,000,000 capital, as compared with 16.55 per cent. earned on the same stock the previous year. The total income was \$44,723,614, against \$42,860,891, with net income of \$21,397,463, as compared with \$19,876,296. The balance after the payment of dividends was \$1,245,353, against \$1,541,602 on July 31, 1913.

The extraordinary motion was filed and argued on the ground of discovered evidence. This included an alleged confession by Judge Connelley, a negro, to Anna Maude Carter, a negro, and another confession, afterward repudiated, said to have been overheard by the Rev. C. B. Rosedale. The motion to set aside the verdict was filed at the request of the lawyers for Frank. The demurrer will be argued by Frank's lawyers October 26.

HARRY'S HOUST INCORPORATED
OFFICE OF THE PRESIDENT

October 12th, 1914.

Publisher,
New York Sun,
New York City.

Dear Sir:-

Realizing the dampening effect [the European war] naturally put on business in general when war was first declared, it was problematical in my mind at that time whether or not it was advisable to carry out the intended advertising campaign I had contemplated. The effect on business in general, apparently, has not been as marked as it first appeared.

In the automobile business sales have been plentiful during August and September. The automobile has become a necessity as well as a pleasure to the user, and as the papers are now giving less room to war news and more space to local news of general interest, I decided, when I took on the MITCHELL car a few weeks ago, to try out an experimental advertising campaign for two or three weeks in three newspapers, which included the New York Sun. You will probably be pleased to hear that the results were so satisfactory that I have determined to extend my advertising campaign for the next eight or ten weeks. This proves to me conclusively that at this time advertising is most valuable and that the mediums selected have given excellent returns.

My only object in writing this is to say, that if other business men, who have goods of merit to sell, would stop talking war and hard times, and advertise their wares in good mediums, like the New York Sun, they would find that business was not quite so bad as they seem to think it is and also "that it pays to advertise."

Yours very truly,
Harry S. Houpt

EXCHANGE IS HIGHER DESPITE GOLD POOL

Committee Defends Its Course as Influence to Prevent Speculation.

CALL TO NEW YORK BANKS